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TCW To Hook Investors

TCW Group plans to tap the market again this year for its newly capitalized energy and infrastructure arm **TCW Energy Partners**.

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GOLDMAN/D.E. SHAW VENTURE PLOTS \$1B GASIFICATION FINANCING

Green Rock Energy, a joint venture between **Goldman Sachs** and investment firm **D.E. Shaw**, is in talks with banks about structuring a \$1 billion-plus non-recourse project financing for a gasification project.

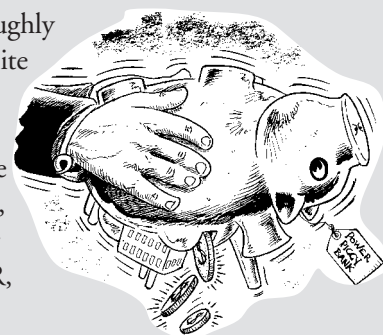
The project is under development in St. James Parish, La., and may include an inside-the-fence generation facility. It is being developed in conjunction with **U.S. TransCarbon** subsidiary **Faustina Hydrogen Products** with additional equity from **Denbury Resources**, which plans to draw sequestered carbon dioxide from the unit for enhanced oil recovery. The facility will convert petcoke into ammonia and methanol. The size of the power plant onsite is yet to be determined but will be several hundred megawatts. *(continued on page 12)*

Recaps All The Rage

MERRILL, LEHMAN READY GRANITE RIDGE DEAL

Merrill Lynch and **Lehman Brothers** are preparing a roughly \$300-350 million recapitalization of the 720 MW **Granite Ridge** generating facility in Londonderry, N.H., following a restructuring of the debt last month. The deal will likely launch next month and consist of a single first-lien B loan, already rated BB by **Standard & Poor's**, making it more conservative than the recap executed for 568 MW **Liberty Electric Power** in Eddystone, Pa. (PFR, 10/26), owned by **Strategic Value Partners**.

James Utt, ceo and chairman of the operating entity **Granite Ridge Energy** in Washington, D.C., said existing loans have been converted into equity and there is *(continued on page 12)*



REFI PREPPED FOR EX-CALPINE NORTHEAST PLANT PAIR

Credit Suisse and **Merrill Lynch** are readying a recapitalization of two former **Calpine** plants in New England—a 265 MW gas-fired facility in Tiverton, R.I., and a 265 MW facility in Rumford, Maine—on behalf of their creditors. The owners reportedly include affiliates of **Plainsfield Asset Management**, **Sandell Asset Management** and **D.E. Shaw**.

In a \$466 million sale and leaseback transaction, **Calpine** sold the units to **Philip Morris** affiliate **PMCC Calpine New England Investments** at a time when the tobacco titan was a big player in lease financings. **PMCC** leased them back to the San Jose, Calif., IPP. In Feb. 2006 **Calpine** rejected those leases under bankruptcy protection and the properties fell into receivership. A new ownership vehicle, **Brick Power Holdings**, is run on behalf of the lenders. *(continued on page 12)*

Check www.iipower.com during the week for breaking news and updates.



At Press Time

Conn. Developer Taps Goldman On Project Financing

Kleen Energy Systems has selected Goldman Sachs to lead financing for a planned 520 MW baseload plant on the site of an old feldspar mine in Middletown, Conn., as reported on *PFR*'s Web site last Tuesday. The project was one of the winners in last year's RFP for new capacity in the state, alongside Waterside Power's 66 MW oil-fired peaker in Stamford; and Energy Capital Partners-owned Waterbury Generation, a 96 MW gas-fired peaker in Waterbury (*PFR*, 8/24).

Details of the impending financing and when groundbreaking is slated to begin could not be gleaned. Calls to Goldman and William Corvo, president of Kleen Energy, were not returned.

The combined-cycle plant will run on natural gas or low-sulfur fuel oil and be situated on the banks of the Connecticut River. It will connect to an existing 345kV Connecticut Light & Power transmission line and gas would be supplied by a lateral pipeline running from the Duke Energy/Algonquin pipe in Glastonbury, according to Connecticut Siting Council records.

TCW Eyes Follow-On Fundraising, Liquidity Line



Blair Thomas

TCW Group plans to continue fundraising this year for its new energy and infrastructure arm, TCW Energy Partners, and is looking to mandate a bank within the month on a new \$194 million debt facility to help manage the entity's cash flows.

The group recently raised \$194 million for TEP via the private placement of 9.7 million units on GS TruE, each priced at \$20, bringing TEP's intended capitalization to \$388 million. There was also a separate closing on \$2.6 billion

for TCW's private equity/mezzanine vehicle, fund XIV, in December.

TEP is a limited partner in fund XIV but has a broader mandate, investing across the firm's platform and targeting a different client base, including mutual funds that cannot invest in private funds. "TEP broadens out our client base and product platform," says Blair Thomas, head of TCW's energy and infrastructure group in Los Angeles of the rationale for forming TEP. "We wanted to make our product available to clients who could not invest in fund XIV, but could in TEP." Thomas declined to talk specifics on any additional fundraising. Neither TEP nor fund XIV is related to TCW's commercial banking arm, Trust Company of the West. All capital is raised from third-party, institutional clients.

TCW—a \$150 billion asset manager—is one of the top two or three investors in energy globally, Thomas claims, with energy investments totaling \$6.9 billion across 26 countries. It invests in several upstream assets, midstream properties such as LNG terminals, gas storage and compression, all types of power generation and distribution and alternative energy. The latter is done through TCW's \$500 million *European Clean Energy Fund*.

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INTELLIGENCE FIRST

RBS Extends Deadline For Gulf LNG

Royal Bank of Scotland has extended until today the deadline for retail commitments in the financing for **Gulf LNG Energy's** liquefied natural gas receiving and re-gasification terminal in Pascagoula, Miss. Several banks met the original deadline of Jan. 29, but RBS is giving others more time, according to a banker, who declined to speculate on why the extension is necessary.

The deal has generated interest, officials say, since the retail launch of the \$870 million term loan (PFR, 1/11). At a bank meeting Jan. 8 in New York, 25-30 European and Asian project finance banks were offered \$40 million and \$50 million tickets with an upfront commitment fee of just over one basis point per million. "The location is a little bit of a concern [due to the potential for hurricanes in the Gulf of Mexico], but it has a great location from an economic standpoint. Florida is really thirsty for natural gas with its population growth. That's a real strength for the project," says one deal watcher, adding, "We haven't seen anything in that market like this in a while." **HSBC** and **Société Générale** led the last deal, a \$1.5 billion financing of **Cheniere Energy's** 2.6 billion cubic feet per day Sabine Pass liquefied gas terminal in Louisiana (PFR, 7/14/06).

The tenor on Gulf LNG's debt is about 13.5 years, including three and a half years for construction. Pricing starts at 150 basis points over LIBOR, drops to 125 after construction, rises to 150 in years four through eight and steps up to 175 over years nine and 10. Just before year-end, **Standard Chartered**, **Fortis Capital**, **WestLB**, and **Scotia Capital** signed up as agents with \$85 million each. **Natixis** is joining the deal as a senior managing agent at a lower-level ticket still under negotiation. The project is fully contracted for 20 years and will have direct access to the Gulfstream, Destin, Florida Gas Transmission and Transco pipelines. Officials at the lead and sponsor either declined to comment or did not return calls.

WestLB Preps Canadian Wind Financing

WestLB is preparing to launch next Monday \$212 million in financing tied to **EarthFirst Canada's** 144 Dokie I wind farm in the Peace River region of British Columbia—phase one of a planned 300 MW facility.

Details of the package are still being decided upon, but it will likely consist of a 17-year, \$142 million construction loan, some \$55 million in 20-year bonds and a \$15 million facility for working capital. Pricing will be announced at the upcoming bank meeting.

Calgary-based **EarthFirst** issued an RFP for financing at the end of November and proposals were due by Dec. 19 with an eye to having the funds in place by the end of March (PFR, 12/19). Officials at **WestLB** and **EarthFirst** declined to comment.

Dokie I, located in the foothills of the Rockies, will consist of

48 **Vestas Wind Systems** V90 turbines to be delivered in the first half of this year and is set to come online before the 2010 Winter Games in Vancouver. It has a 20-year PPA with **BC Hydro** and is adjacent to the W.A.C. Bennett Dam, providing it with immediate transmission.

MACH Gen First-Round Bids Due

Preliminary bids were taken last Tuesday in the **Credit Suisse**-led auction of the 3.6 GW **MACH Gen** portfolio of combined-cycle plants spread across the Northeast, Midwest and Southwest. The assets were put on the block in November (PFR, 12/14) and the seller will entertain proposals for individual plants, the entire package or a merger. CEO **Ned Kleinschmidt** at **Capstone Advisory Group** in Saddle Brook, N.J., declined to comment and **Credit Suisse** did not return calls.

MACH Gen—so-called after the first letter of each of the plants—consists of 360 MW **Millennium** in Charlton, Mass.; 1,080 MW **Athens** in Athens, N.Y.; 1,100 MW **Covert** in South Haven, Mich.; and 1,092 MW **Harquahala** in Tonopah, Ariz. The portfolio is managed by **North American Energy Services** and **Competitive Power Ventures** is the asset manager. Fuel management and power marketing from the assets is handled by **Merrill Lynch Commodities** and **Fortis Energy Marketing and Trading**.

Leads To Launch FPL Portfolio Financing

UniCredit HVB and **Mizuho Corporate Bank** launched syndication last Thursday of a pre-funded \$250 million back-leveraged loan financing **FPL Energy's** 600 MW Northern Frontier wind portfolio. Terms of the syndication could not be learned, but the leads targeted the many relationship banks of FPL at a 9am bank meeting at the Parker Meridien hotel in midtown Manhattan, as first reported by *PFR* last Wednesday.

The structure of the deal works like a cash sweep, allocating all distributable cash to the sponsor for the first five to seven years to repay project debt (PFR, 1/11). After that cash reversion date, the funds will be channeled to the tax equity investor for the remaining years until achieving a pre-determined yield, along with the tax credits. When the yield is reached, a partnership flip allocates the bulk of the cash flow and tax credits back to the sponsors. Tax equity investors **Morgan Stanley** and **JPMorgan Capital** are providing 60-75% of the funds for Northern Frontier in a roughly \$700 million deal.

The portfolio consists of 199.5 MW **Peetz Table**, the first phase of a 400 MW project under construction in Peetz, Colo., 201 MW **Logan** in Logan County, Colo., 50.6 MW **Oliver I** and 48 MW **Oliver II** near Center, N.D., and 98.9 MW **Mower** in

Mower County, Minn. Officials at the leads either declined to comment or did not return calls. A call to FPL was not returned.

Airtricity Chicago Finance Staffer To Depart

Mike Hammond, senior v.p. of finance at **Airtricity North America** in Chicago, will leave the company at the end of this month following its acquisition by German utility **E.ON**. Separately, the developer has hired **Dean Tuel**, director of origination at **Westar Energy**, to fill the newly created position of v.p. of origination in Austin, Texas.

Hammond joined Airtricity in early 2005. Previously he was a managing director covering global energy in the structured finance department at **GE Capital**, which acquired **Heller Financial** in 2001, where Hammond was a senior v.p. He and other Airtricity officials either declined to comment on the resignation or did not return calls.

Tuel handles the negotiation of offtake agreements at Airtricity. "Our focus will be in ERCOT, because that's where we have immediate development," he says, noting that other regions will also be of interest. Tuel began at Airtricity in November. At Westar in Topeka, Kan., he was the lead negotiator on a 38-year PPA signed last August to supply the **Kansas Electric Power Cooperative**.

"We're executing what I'd call new deal structures," says **Darrell Hayslip**, senior v.p. of trading and marketing in Austin, to whom Tuel reports. "When we started off, folks were doing long-term traditional PPAs with large wholesale counterparties. What we continue to do is financially hedge against these projects."

EIF Panoche Notes Wrap

Sole underwriter **BNP Paribas** closed an offering of \$321 million in 6.885% senior secured bonds last Tuesday funding construction of **Energy Investors Funds'** 400 MW gas-fired greenfield Panoche Energy Center in Fresno County, Calif. The offering, which launched Jan. 24, was downsized from its planned \$330 million (PFR, 1/24) due to a higher coupon on the bonds than targeted.

The rate increase was likely due to perceived construction risk—despite an EPC guarantee on timely completion—as well as general market turmoil, says one deal tracker, who notes that the spread was 325 basis points over Treasuries instead of the typical 300. The notes fall due July 31, 2029 with an average tenor of 14 years, and are rated Baa3 and BBB- by **Moody's Investors Service** and **Standard and Poor's**, respectively.

The plant, wholly owned by EIF's United States Power Fund II, is slated to come online by July next year to address the need for peaking capacity in the San Francisco Bay and Fresno load

centers (PFR, 12/14). It has a 20-year PPA with **Pacific Gas & Electric** for 100% of offtake and will use four **General Electric** Packaged Power LMS100 gas-fired turbines.

Spanish Developer Taps WestLB For Solar Financing

Spanish developer **Abengoa** has mandated WestLB as sole arranger for more than EUR250 million (\$367 million) in financing for 30 MW of photovoltaic solar projects to be built over the course of the next year. "They get certainty [of financing], and they get the flexibility to select where they want the projects to be built," says **Manuel Cabrerizo**, director of structured finance, capital markets and energy at WestLB in Madrid.

Abengoa is using a framework approach to the financing, Cabrerizo notes, in which it and WestLB will agree on financing terms and the sponsor will then fit the framework to any configuration of facilities totaling 30 MW. "It's not a set number of projects yet, but within a given amount of time they can come to us and we apply the given terms to the transaction," he says.

Roughly 10 MW will come online by the end of September when Spain's current feed-in tariffs expire. The other 20 MW will be operational by the end of the first quarter of next year. Feed-in tariffs benefit renewable development by requiring utilities to buy renewable energy at an above-market rate, but the government has not yet announced what those rates will be from October.

WestLB has not yet decided on a syndication strategy but will target Spanish, German and U.K. banks in that order. Calls to Abengoa were not returned.

SPV To Issue Notes To Fund Wind Acquisition

UniCredit HVB is set to launch the sale of EUR \$245 million (\$359 million) in secured notes due 2028 on behalf of **Breeze Finance**, a Luxembourg special purpose financing vehicle, whose backers will use the proceeds to fund the acquisition of 13 wind farms. The notes will be placed on the Luxembourg stock exchange Feb. 15.

The sponsors, Germany's **Breeze Four Energy** and France's **Breeze Four SNC**, will buy 11 farms in Germany and two in France, with a combined capacity of 191 MW, from developer/operator **Ventotec**. It will use part of the monies to repay debt tied to the portfolio and the developer's equity. Breeze Four Energy will operate all the farms, five of which are under construction, for tax reasons, according to **Fabian Poetter**, associate of structured new issues at HVB in Munich.

The issue breaks down into three tranches: EUR 161,600,000 in class A bonds, rated BBB- by **Fitch Ratings**, EUR 46,800,000

in class B, rated BB-, and a further unrated EUR 36,600,000 in class C. The ratings assigned reflect the lack of diversification in the portfolio, says **Victor Sosah**, director of global infrastructure and project finance at Fitch in London. Poetter says the books are already filling up with soft orders from investors for the class A and class B bonds.

Sosah says the 20-year tenor on the notes matches local regulatory tariffs for the power produced. Under the German system, wind owners sign a 20-year fixed tariff agreement at above-market rates, allowing them to benefit from priority transmission ahead of other power resources. Breeze is looking at a similar financing model next year for geothermal and solar projects, adds Poetter.

Leads Wrap Airtricity Turbine Financing

UniCredit HVB and Mizuho Corporate Bank wrapped syndication last week of a \$325 million turbine supply loan for **Airtricity North America**. The deal, which underpins its 2008 construction program, drew four banks taking pieces of up to \$50 million. The turbine loan includes a letter of credit with a maximum of \$30 million.

Allied Irish Bank, **BayernLB**, **NordLB**, and **Commerzbank** were the four taking tickets priced at 150 over LIBOR, with commitment fees of 37.5 basis points for any unused portions of a letter of credit. Exact ticket sizes could not be learned. The lenders who joined will be considered preferred lenders for construction financing in the future (PFR, 12/14).

Moroccan Wind Tender Kicks Off

Moroccan state-owned utility **Office National de Electricité** is expected to issue an RFP within two weeks for a \$500 million, 300 MW independent wind power project in Tarfaya. **HSBC** and **Garrad Hassan**, a U.K. renewable energy consultancy, are financial advisors to **ONE** on the tender. **Banque Marocaine du Commerce Extérieur** had an unspecified advisory role (PFR, 6/29), but it could not be determined if it is still acting on behalf of the sponsor. Calls to **ONE** were not returned.

Invitees are expected to submit

proposals with financing packages already committed.

The winning developer will be able to build the project in 50 MW increments in recognition of turbine shortages. Upon completion, the farm will be contracted under a roughly 20-year contract with **ONE**.

Texas Storage Financing Goes Retail

Retail syndication is set to launch this week for \$435 million in financing tied to the development of **Tres Palacios Gas Storage's** high-performance storage facility in Matagorda County, Texas.

The financing package includes a \$285 million senior secured construction loan, a \$100 million senior secured term loan and a \$50 million senior secured revolver, all rated B1 by **Moody's Investors Service**. Retail commitments are due the week of Feb. 25.

ING Capital launched wholesale syndication Jan. 24, offering tickets of \$50 million for senior managing arranger titles to several banks, with pricing pitched at 350 basis points over LIBOR. Commitments for SMA roles are due Feb. 12. **Tres Palacios'** parent, **NGS Energy Fund**, originally mandated **BNP Paribas** in addition to **ING** (PFR, 1/18), but the French bank was reportedly not present at the launch or listed on documentation, which named **ING** as mandated lead arranger and sole book runner. "We know that **BNP** was mandated on that, so it is surprising to see that they are not on the cover," said one deal watcher. Calls and emails to officials at **BNP**, **ING** and to **Laura Luce**, president of **NGS** and its project companies, were not returned.

NGS is an independent gas storage operator backed by hedge fund **Centaurus Energy**. **Tres Palacios** is seeking to convert three underground salt caverns on the Markham Dome, bringing into service 12.5 Bcf by July, another 13.9 Bcf by April of next year, and an additional 9.1 Bcf by April 2010 along with 19 Bcf of base gas across all three units.

RBS Picks Head Of Commodities Americas

David Messer, president of **Sempra Commodities**, has been appointed head of commodities for **Royal Bank of Scotland's** Global Banking & Markets Americas management team. The announcement was made in the firm's so-called level-two senior management appointments Jan. 22 via an internal memo. Messer will assume the new position upon completion of **ABN Amro's** integration into the bank, expected over the next few months.

Messer will be located in Stamford, Conn., reporting to **Peter Nielsen**, head of treasury and investor products for the team based in Greenwich, and to **Symon Drake-Brockman**, global head of credit markets and joint head of Global Banking & Markets Americas. Drake-Brockman is set to replace **Jay Levine**,

The companies invited to pitch are:

Babcock & Brown
CMS Generation, together with **TAQA**
 and **E-Connection**
Endesa
Falck Renewables
Gamesa Energia
Iberdrola Energías Renovables
International Power
Mitsui & Co.
Poweo and **Gas Natural**
Siemens and **ProCME Group**
Suez Energy International
Theolia, together with **GE Energy**
Financial Services and **Tourellec**
Total Energy Development and **EDF**
Energies Nouvelles
Union Fenosa
Urbaer and **La Compagnie du Vent**,
 now part of **Suez**

head of Global Banking & Markets for North America, who will retire in March.

Messer has traded and marketed a variety of commodities, including precious metals and crude oil, initially for **Drexel Burnham Lambert Trading Corp.** in New York and Hong Kong and subsequently as president of **AIG Trading Corp.**, which was sold to **Sempra Energy** in 1998 and renamed **Sempra Energy Trading**. Sempra's commodities arm announced a joint venture with RBS Global Banking & Markets last July and its consolidation into the bank will be complete this quarter, says **Shaun Gamble**, spokesman for RBS.

CapEx, Carbon To Drive M&A Activity In 2008

Capital expenditure budgets, carbon positions and the increasing focus on renewable energy will be key valuation drivers this year, according to two bankers on the Investment Bankers' Assessments and Predictions panel at **Exnet's 21st Annual Utility M&A Symposium** at the Ritz Carlton hotel in Battery Park, New York City last Monday.

Jim Metcalfe, global head of power and utilities at UBS, believes permits for new projects—especially coal—will continue

to be challenged due to environmental concerns. Valuations levels for generation have trended up and been more spread than in the past, he notes, especially in renewable auctions.

Prices for nuclear plants have been in the \$1,000-\$1,500 per kW range recently versus new-build costs of around \$3,000 per kW, according to **Jeff Holzschuh**, vice chairman of energy at **Morgan Stanley**. Coal plants have been going for \$1,600 per kW versus new build costs of \$2,500 per kW; and gas for \$200-700 per kW versus a \$750-\$1,200 replacement cost.



Jeff Holzschuh

"There's been a very large increase driven by higher commodity prices, the tremendous liquidity in the capital markets meaning there is more leverage on these assets, and the perception certain markets need additional power," he says.

Both predict more consolidation activity, especially among utilities which continue to capture the attention of infrastructure funds and private equity. While IPP stocks have risen over the past five years, there has been a marked sell-off over the last 60 days, Metcalfe notes. Holzschuh says in any turbulent market, the stocks with the highest valuation have the furthest to fall and may be most affected by uncertainty in the market. **Dynegy's** stock has dropped 31.4% since June and **Mirant's** 25%.

Corporate Strategies

PNM Sells Gas Biz To Focus On Electric Ops

PNM Resources' decision to sell its natural gas utility operations for \$620 million to a unit of **Continental Energy Systems** and acquire Continental's Texas electric delivery and transmission business, **Cap Rock Energy**, for \$202.5 million is aimed at positioning the company for transmitting power between ERCOT and the Southwest Power Pool and focusing on electric operations, says **Terry Horn**, treasurer in Albuquerque, N.M.

JPMorgan advised PNM on the sale (PFR, 11/9) and acquisition, adds Horn, noting that there were 15 companies vying for PNM's gas business. The utility had the option to accept all cash proceeds, or receive part of its consideration in assets, and chose the latter. "It's always been a rub going in both directions [electric and gas]," he says of the decision to go with one. The sale is awaiting approval by the **New Mexico Public Regulation Commission** and PNM's purchase needs to be approved by Texas regulators and the **Federal Energy Regulatory Commission**. Both transactions are expected to be complete by year-end.

After paying circa \$150 in tax across both transactions, PNM will use \$230-240 million for retiring debt and about \$200 million for the acquisition. Roughly \$30 million will remain and could also be set aside to pay down debt, says Horn. **Standard &**

Poor's lowered its rating for the utility to BBB- from BBB last month due to its weakened cash flow and a challenging regulatory environment, but **Antonio Bettinelli**, analyst in San Francisco, says diversifying capital away from New Mexico to focus on the more favorable regulatory climate in Texas is a positive move. PNM's debt-to-equity ratio is 48:52.

Indiana Co-Op Buys Plant With Placement Funds

Wabash Valley Power Association, an Indianapolis cooperative, financed its \$123 million acquisition of unit one of Wabash



Wabash River Station

River Station in West Terre Haute, Ind., from **Duke Energy Indiana**, via the private placement of 20-year notes. The unit has a 192 MW gas turbine and a 100 MW steam turbine.

The **National Rural Utilities Cooperative Finance Corp.** will provide \$20 million to help complete the purchase because of its

familiarity with Wabash's credit and relationship with the co-op, says **Jeff Conrad**, cfo. **JPMorgan** was selected to handle the financing because of its expertise with private placements and its experience and success with co-ops, he adds. This is the first time it has used JPMorgan.

Wabash is building up the generation side of its portfolio to meet 2-3% annual load growth. It owns 728 MW already, distributing power to 28 systems in Indiana, Illinois, Michigan and Missouri. Conrad says it decided to buy a plant because of the perceived construction risks of building from scratch, and because the combined-cycle plant will complement its adjoining integrated gasification plant owned by Wabash Valley subsidiary **sgSolutions**.

Duke and Wabash began working on the deal as far back 2005, notes Conrad, but regulatory approval held up the transaction. Duke, which declined to comment, will continue to maintain and operate the plant. The remaining units Duke owns at Wabash River, with total generating capacity of 668 MW, will not be affected by the sale. When asked about the possibility of future acquisitions, Wabash says, "We'll continue to evaluate our options." The co-op's target equity to total capitalization is 20%, but it will be a little under that this year because of the acquisition.

Southwestern Upsizes Private Placement



Greg Kerley

Southwestern Energy has placed privately \$600 million in 7.5% 10-year senior notes to pay down its revolver—a sale that was upsized from \$400 million on demand. "We had somewhere close to \$2 billion in orders from over 100 accounts," says **Greg Kerley**, cfo at the integrated energy company in Houston. "We hit the market Jan. 4, and despite the fact

that the market was getting sloppy, energy [issuers] hung in there pretty strong," he adds, explaining that investor appetite was driven by growth on the production side of the business. Southwestern's stock began the New Year on a 52-week high of \$58.61 just before the issue.

Proceeds will pay down roughly \$591 million of the \$879.6 million outstanding on its five-year, \$1 billion revolver ahead of a roughly \$1 billion capital expenditure program on the exploration and production side of its business. "The options are to either issue debt or equity or sell assets, and we didn't have very much in senior notes outstanding," Kerley explains, pointing out that this issue flips \$600 million from the revolver into its long-term debt. At year-end, Southwestern had roughly \$135 million in long-term debt.

The company's capex will focus on continuing to increase gas production at Fayetteville Shale, an Arkansas field which Kerley

expects to cause midstream EBITDA this year to jump to \$37-40 million compared with \$16 million last year. Its midstream assets transport third-party gas as well as its own. "Our midstream is going to grow at a pretty good pace this year. It's something of a hidden asset for Southwestern," he says. The total amount transported went from 100 million cubic feet per day at the beginning of last year to 370 million cubic feet per day by year-end, partially due to the Fayetteville Shale project. "We have gone from a production number of about 72 billion cubic feet [of gas production] in 2006 to over 111 billion cubic feet for 2007, and in 2008 we are projecting that our production will be 148-152 billion cubic feet," Kerney says of the company's midstream growth.

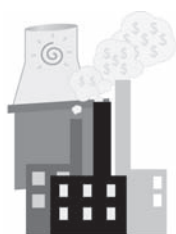
The company's unsecured revolver was put into place by the same banks that underwrote the notes sale, and has an accordion feature allowing it to be expanded to \$1.25 billion with bank approval. **JPMorgan**, **Banc of America Securities**, and **RBS Greenwich Capital** were joint bookrunning managers, with **BMO Capital Markets**, **Capital One Southcoast**, **Comerica Securities**, **BBVA Securities**, **KeyBanc Capital Markets**, **Mitsubishi UFJ Securities International**, **Mizuho Securities USA**, **Piper Jaffray**, **RBC Capital Markets**, **SunTrust Robinson Humphrey** and **Wells Fargo Securities** also participating.

FPL To Repay CP For Capex Liquidity

Florida Power & Light issued \$600 million in first mortgage bonds to pay down commercial paper ahead of its \$2.6 billion capital expenditure plan for the year. The **FPL Group** subsidiary "funds [its activities] using commercial paper up to a point, and then roles the commercial paper over and does a mortgage bond to fund it," explains **Ellen Lapson**, managing director at **Fitch Ratings** in New York.

FPL has earmarked \$700 million specifically for new generation this year that will go towards the total \$1.3 billion cost of the 1,220 MW West County Energy Center under construction in Palm Beach County, Fla. One of the two units making up the plant is set to come online next year with the other following in 2010. Additionally, the company will spend \$600 million on generation upgrades and nearly \$1 billion on transmission and distribution this year, according to Lapson.

The 5.95% notes were offered to the public at 99.456%, yielding 5.989% when held to maturity in February 2038. **Calyon Securities**, **Citigroup Global Markets**, **Morgan Stanley** and **Wachovia Capital Markets** were joint book running managers, and **BNY Capital Markets**, **Deutsche Bank Securities**, **HSBC Securities**, **KeyBanc Capital Markets**, **Lazard Capital Markets** and **Wells Fargo Securities** co-managers. **Paul Cutler**, treasury manager at FPL in Juno Beach, did not return requests seeking comment.



Generation Auction & Sale Calendar

Following is a directory of ongoing generation asset sales. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report new auctions or changes in the status of a sale, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iinews.com.

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Airtricity Holdings	Various	Europe	259 operational	Wind	Credit Suisse	To be acquired by Scottish & Southern Energy for EUR1.08 billion (\$1.59 billion).
American Electric Power	Fort Phantom Abilene Power Station Lake Pauline Rio Pecos Oak Creek Paint Creek San Angelo	Abilene, Texas Abilene, Texas Quanah, Texas Girvin, Texas Bronte, Texas Stamford, Texas San Angelo, Texas	362 18 35 136 75 218 110	Gas	N/A	Took final bids Nov. 14. Reportedly negotiating with a single party.
Astoria Energy	Astoria plant	Queens, N.Y.	500	Gas	N/A	Owners fielding offers. Suez Energy acquiring 30% (PFR 9/29).
Barry Bates and Michael Underwood	Thompson River Cogen	Montana	16	Coal, Waste Wood	Energy Advisory	Teasers went out late June. Plant has a 20-year PPA with Avista Utilities.
Bicent Power	Mountain View	Palm Springs, Calif.	67	Wind	Goldman Sachs	AES to acquire (PFR, 1/7).
Black Hills Corp.	Arapahoe Valmont Fountain Valley Las Vegas I Las Vegas II Harbor Valencia	Denver, Colo. Valmont, Colo. Colorado Springs, Colo. Las Vegas, Nev. Las Vegas, Nev. Long Beach, Calif. Albuquerque, N.M.	130 80 240 53 224 98 149	Gas Gas Gas Gas Gas Gas Gas	Credit Suisse	Seller looking for an all-cash transaction. Preliminary bids taken Nov. 20. Bids said be close to \$800 million (PFR, 12/10). Hastings Funds Management, AllCapital, Beowulf Energy in partnership with Natural Gas Partners, Tenaska Energy, Energy Investors Funds, and EnergyCo. on shortlist to acquire (PFR, 1/28).
Bluff Power Partners E/S Solutions	McCommas Bluff	Dallas, Texas		Landfill Gas	CRG Partners	Cambrian Energy Development named stalking horse, replacing Montauk Energy Capital (PFR, 10/12).
Calpine	Acadia Energy Center Fremont Energy Center Hillabee Energy Center	Eunice, La. Sandusky County, Ohio Alexander City, Ala.	1,016 (50%) 512 774	Gas Gas Gas	Miller Buckfire	Sold to Cajun Gas Energy for \$189 million (PFR, 8/6). FirstEnergy won with \$253.6M bid. CER Generation, a unit of Constellation Energy, named stalking horse. Overbids due Jan. 31 (PFR, 1/7). Teasers went out w/c Nov. 26 (PFR, 11/26). First-round bids deadline pushed back to 1/24.
Catamount Energy	Texas City Clear Lake Sweetwater Ryegate Power Rumford	Texas City, Texas Clear Lake, Texas Nolan County, Teaxs Vermont Rumford, Me.	425 375 505 (50%) 20 85	Gas Gas Wind Wood waste Cogen	Goldman Sachs	Unsolicted approaches have been made to backer Diamond Castle Holdings (PFR, 8/31).
CIT Group	RockGen Energy Center	Cambridge, Wis.	460	Gas	Bear Stearns	Lessee Calpine to acquire for an undisclosed sum.
Central Vermont Public Service	Various	Vermont	70 in summer, 86 in winter	Hydro	Morgan Stanley	Believed to be in advanced stages.
City of Vernon	Malburg Generating Station Palo Verde Power Hoover Upgrading	Southern Calif. Southern Calif. Southern Calif.	134 11 22	Gas Nuclear Hydro	Lehman Brothers	Beowulf Energy and Natural Gas Partners agreed to buy for \$342 million. Lehman Brothers to lead debt financing (PFR, 10/22). Pending regulatory approval.
Conectiv Energy (Pepco Holdings)	Various	PJM Interconnection	3,700	Various (merchant)	Credit Suisse	Company reviewing strategic alternatives, including whole or partial sale and merger (PFR, 12/10).
Con Ed Development	CEEMI Newington Energy Ada Cogeneration Lakewood Ocean Peaking Power Rock Springs Genor EverPower Wind	Springfield, Mass. Newington, N.H. Ada, Mich. Lakewood, N.J. Lakewood, N.J. Rising Sun, Md. Puerto Barrios, Guatemala NEPOOL, NY, PJM	185 525 (99.5%) 29 (48%) 246 (80%) 339 670 (50%) 42 (49.5%) 500 planned	Gas, Oil, Hydro Gas Gas Gas Gas Gas Oil Wind	Morgan Stanley	AllCapital and Industry Funds Management in final stage negotiations to acquire for north of \$1.2 billion (PFR, 12/3). Not sold. Partner is Olympus Power. CED sold its 50% stake in Oct. (PFR, 12/9).
ConocoPhillips	Immingham	Lincolnshire, U.K.	730	Gas	Citigroup	Reportedly looking at strategic options on the plant, (PFR, 1/18).
Complete Energy Holdings	La Paloma Batesville	McKittrick, Calif. Batesville, Miss.	1,022 837	Gas Gas	JPMorgan	In second round. Shortlist unclear.
Corona Power	Sunbury Generating	Shamokin Dam, PA	432	Coal, oil, diesel	Merrill Lynch	Soliciting equity to complete \$250M of upgrades (PFR, 12/24).
Dominion Resources	Dresden Energy	Muskingum County, Ohio	580	Gas	N/A	American Electric Power bought for \$85 million in September.
DONG Energy	Evia, Karistos and Tourla	Greece	18.6 MW	Wind	HSBC	Teasers expected later this quarter after IPO.
DTE Energy	East China River Rouge	East China, Mich. Detroit, Mich.	320 240	Gas Gas	N/A N/A	Seller exploring options, including outright sale. On books at scrap value, decommissioned.
EISL (Esaclimientos Industriales y Servicios)	Various	Catalonia, Spain	630	Wind, Hydro	JPMorgan	Company weighing sale (PFR, 12/24)
Entegra	Gila Union	Phoenix, Ariz. El Dorado, Ark.	2,300 3,000	Gas Gas	N/A	Reportedly in talks to merge with KGen (PFR, 1/17).
Entergy Corp.	50% stake in Top Deer Wind Ventures RS Cogen Roy S. Nelson Warren Power Harrison Independence Robert Ritchie	Worth County, Iowa Carsen County, Texas Lake Charles, La. Westlake, La. Vicksburg, Miss. Marshall, Texas Newark, Ark. Helena, Ark.	40 40 212 60 225 335 121 544	Wind Gas Gas/Oil Gas Gas Coal Gas/Oil	New Harbor	Seller wants about \$520 million for the assets. Bidders shortlisted to four players: two financial; two infrastructure (PFR, 6/18).

Generation Auction & Sale Calendar (cont'd)

Seller	Plants	Location	MW	Plant Type	Advisor	Status/Comments
Exergy Development Group	Various	Upper Midwest, Northwest U.S.	3600 (176 ready to construct)	Wind	Marathon Capital	Weighing partnership, joint venture, recap or sale (PFR, 12/17).
Fluor	Greater Gabbard	Thames Estuary, U.K.	500	Wind	RBC Capital Markets	Specs went out in late Aug. for Fluor's 40% stake.
Foresight Wind Energy	Various	Arizona, New Mexico	2 GW pipeline	Wind	CP Energy	Transaction delayed (PFR, 10/8).
FPL Energy	Posdef	Stockton, Calif.	44	Coal/Petcoke	New Harbor	Teasers sent (PFR, 12/17).
	Tesla	Tracy, Calif.	1,120	Gas/Steam	Credit Suisse	Development site. Status unclear.
General Electric	Baglan Bay	Port Talbot, Wales	510	Gas	Lexicon Partners	GE deferred sale. Carron Energy interested.
Goldman Sachs, Cargill	Teeside Power	Teeside, U.K.	1,875 MW	Gas	Rothschild	Teasers dispatched Nov. 14 (PFR, 11/19). Bids taken were £350-550 million (\$687.6 million to \$1.08 billion).
Goldman Sachs (Cogentrix Energy)	Southaven Power	Southaven, Miss.	810	Gas	Houlihan Lokey Howard & Zukin	Kelson Energy named stalking horse with \$305 million bid.
InterGen	Various	U.S., Europe, Asia	5,235	Various	Lehman Brothers	AIG looking to sell its 50% stake (PFR, 12/24).
Kelson Holdings	Dogwood	Pleasant Hill, Mo.	620	Gas	Goldman Sachs,	Weighing strategic options, including sale/merger. (PFR, 10/9).
	Redbud	Luther, Okla.	1,230	Gas	Merrill Lynch	Signed agreement to sell Redbud for \$852 million to consortium of load-servicing entities (PFR, 1/21).
	Cottonwood	Deweyville, Texas	1,230	Gas		Oklahoma Gas & Electric acquiring 51% stake, Grand River Dam Authority 36%, and Oklahoma Municipal Power Authority 13% in Redbud (PFR, 1/28).
	Magnolia	Benton County, Miss.	922	Gas		
KGen Power	Murray I	Murray Co., Ga.	630	Gas	Credit Suisse	Reportedly in talks to merge with Entegra (PFR, 1/17).
	Murray II	Murray Co., Ga.	620	Gas		
	Hot Spring	Hot Spring Co., Ark	620	Gas		
	Hinds	Jackson, Miss.	520	Gas		
	Sandersville	Washington Co., Ga.	640	Gas		
KW Gaspé & Co.	Le Nordait	Quebec, Canada	99	Wind	Toronto-Dominion, Bank of Nova Scotia	Canadian Hydro Developers to acquire for \$110 million. Expected to close in March (PFR, 12/3).
	Matane					
La Compagnie du Vent	Various	France	98 MW installed	Wind	Calyon	Suez to acquire a 50% stake for EUR321 million (PFR, 8/20).
Landfill Energy Systems	Various	U.S.	80	Landfill Gas	Ewing Bemiss	Energy Investors Funds Enpower to acquire for \$300 million.
LS Power	Sugar Creek	Sugar Creek, Ind.	561	Gas		Northern Indiana Public Service to acquire (PFR, 11/2).
MACH Gen	Millennium	Carlton, Mass.	360	Gas/Oil	Credit Suisse	Considering sale or a merger (PFR, 12/17).
	Athens	Athens, N.Y.	1,080	Gas/Oil		
	Covert	South Haven, Miss.	1,100	Gas		
	Harquahala	Tonopah, Ariz.	1,092	Gas		
National Grid	Ravenswood Station	Queens, N.Y.	2,450	Gas	Merrill Lynch	First-round bids taken Jan. 24 (PFR, 1/14).
Noble Environmental Power	Various	N.Y., Mich.	385	Wind	Goldman Sachs	Auction did not yield desired results, so company reportedly looking to IPO.
North American Power Group	Rio Bravo Fresno	Fresno, Calif.	25	Biomass		Looking to sell interests (PFR, 8/31).
	Rio Bravo Rocklin	Roseville, Calif.	25	Biomass		
	Chinese Station	Jamestown, Calif.	22	Biomass		
NorthWestern Energy	Colstrip Unit 4 (30%)	Mont.	740 MW	Coal	Credit Suisse	Exploring strategic options.
NRG Energy	Indian River	Millsboro, Del.	784	Coal	N/A	Seller soliciting offers on plant (PFR, 11/8).
PSEG Global	Electroandes	Andean region, Peru	180	Hydro	JPMorgan	Statkraft Power Invest to buy for circa \$390 million.
	Chilquinta Energia (50%)	Chile			Citigroup	AEI to buy for \$685 million.
	Luz del Sur (38%)	Peru				
Reliant Energy	Channelview	Lyondell, Texas	830	Gas	Houlihan Lokey	In second round. Fortistar with partner AllCapital interested, as is Kelson Holdings (PFR, 1/23).
RES Americas	Various	U.S.	1,000 under construction; 10,000 in pipeline	Wind	Credit Suisse	Company looking to sell up to 30% to a financial investor to finance growth (PFR, 1/7).
Ridgeline Energy	Various	Idaho, Oregon, Washington	3,700 in development	Wind	Marathon Capital	Back in play after talks were nixed with a southern U.S. utility (PFR, 10/8).
Rockland Capital Energy Investments	B.L. England	Cape May County, N.J.	447	Coal, Oil	JPMorgan	Owner seeking strategic equity partner with which to finance \$400-600M repowering (PFR, 12/10). Bids due in late Feb.
Sempra Generation	Catoctin	Frederick Co, Md.	development	Gas	N/A	Development project reportedly for sale.
Sumas	Sumas Cogeneration	Sumas, Wash.	125	Gas	N/A	Puget Sound Energy agreed to buy for undisclosed sum.
Temasek Holdings	PowerSeraya	Singapore	3,100	Gas	Credit Suisse,	Teasers dispatched 10/15. Tuas to be sold first (PFR, 10/22).
	Senoko Power		3,300	Oil	Morgan Stanley	
	Tuas Power		2,670	Steam		
Tenaska Power Fund	Commonwealth Chesapeake	New Church, Va.	315	Oil	JP Morgan	Tyr won the auction and Fieldstone Private Capital Group is advising on the purchase and debt financing.
TransAlta	Western Canada, Ontario	Diverse U.S.	404	Gas, Coal	BMO Capital Markets	Cheung Kong Infrastructure Holdings to acquire. TD Securities and CIBC World Markets to handle financing. Company weighing sale. Bids were due late Jan.
	Campeche	Mexico	252	Gas/Diesel	N/A	
	Chihuahua	Mexico	259	Gas		
Tyche Power Partners	Brooklyn Navy Yard	Brooklyn, N.Y.	286	Gas Cogen	Credit Suisse	Temporarily iced due to credit crunch.
UPC Wind	Various	North America	36W	Wind	JPMorgan	Market test did not lead to a sale, so company is reportedly weighing an IPO (PFR, 6/8).
U.S. Renewables Group	Bottle Rock power project	Geysers area,	55	Geothermal	Goldman Sachs	Preliminary bids due Dec. 17 (PFR, 12/3).
Waterbury Generation	Waterbury Generation	Waterbury, Conn.	96	Gas	N/A	Energy Capital Partners in negotiations to buy development rights (PFR, 8/29).
Wheelabrator Technologies	Shasta	Anderson, Calif.	49	Biomass	ABN Amro	Seller evaluating a sale. Review close to completion.

Project Finance Deal Book

Deal Book is a matrix of energy project finance deals that PFR is tracking in the energy sector. The accuracy of the information, which is derived from many sources, is deemed reliable but cannot be guaranteed. To report updates or provide additional information on the status of financings, please call Katy Burne, Managing Editor, at (212) 224-3165 or e-mail kburne@iineews.com.

Live Deals: North America

Sponsor	Project	Location	Lead(s)	Loan	Loan Amount	Tenor	Notes
AES	Termoeléctrico de Penoles (230 MW Petcoke)	Tamuín, Mexico	Calyon	Refinancing	\$227M		Four of six commitments in.
Airtricity North America	2008 Turbine Supply	Central New York McPherson County, S.D.	HVB, Mizuho JPMorgan	Turbine Supply Loan	\$325M	TBA	Syndication wrapped last week.
Babcock & Brown Power	Trans Bay Cable	San Francisco, Calif.	BayernLB	Construction Loan	\$299M	33-yr	Syndication of subordinate
Pittsburg Power	(400 MW, two 200 kV cables)			Construction Loan	\$188M	7-yr	tranche launched.
Biomass Group	South Point (200 MW Biomass)	South Point, Ohio	TBA	Construction Loan	\$265-300M	TBA	Selecting lenders.
Borealis Infrastructure	Bruce Power (4.6 GW)	Tiverton, Ontario	Scotia, Dexia HoldCo Loan	TBA \$100M	C\$750M (\$710M) TBA	TBA	Leads considering relaunch in U.S.
Carlyle/Riverstone	Portfolio (1.5 GW Gas)	Various, Texas	TBA	TBA	\$900M	TBA	RFP sent out 7/23.
EarthFirst Canada	Dokie I (144 MW Wind)	Peace River, British Columbia	WestLB	TBA	\$212M	17-yr	Syndication to launch 2/12.
Econergy International-led consortium	La Gloria (50 MW Wind)	Guanacaste Province, Costa Rica	NordLB	Term Loan, Letter of Credit	\$125M TBA	TBA	Timeline unclear.
Empresas ICA	La Yesca (750 MW Hydro)	Nayarit, Mexico	WestLB, Citibank/Banamex, HSBC, BBVA Bancomer, Santander, NordLB	Construction Loan Revolver	\$910M \$80M	4-yr, 9m	Syndication to wrap early next month.
Energy Investors Fund	Panoche (400 MW Gas) Hot Springs (48 MW Geothermal)	Fresno, Calif. Elko, Nev.	BNP Paribas DZ Bank, Fortis Capital	Senior Secured Bonds TBA	\$321M \$120M	21.5-yr TBA	Deal wrapped 1/29. 32 MW phase to come online 2009.
ENMAX Energy	Calgary (1.2 GW Gas)	Calgary, Alberta	TBA	TBA	TBA		Timeline unclear.
EverPower Renewables	2009 Turbine Supply	Various	KeyBanc Capital Markets	Turbine supply	\$130M		Syndication launched 11/28.
Excelsior Energy	Mesaba Energy (603 MW IGCC)	Minn.	TBA	TBA	TBA	TBA	Barclays advising.
FPL Energy	Northern Frontier (600 MW Wind)	Various	UniCredit, Mizuho	Back-Leveraged Loan	\$250M		Syndication launched 1/31.
Granite Ridge	Granite Ridge (720 MW Gas)	Londonderry, N.H.	Lehman Brothers, Merrill Lynch	TBA	\$300-350M	TBA	Timeline TBA.
Invenergy	Forward Energy (99 MW Wind)	Dodge and Fond du Lac counties, Wis.	Dexia Credit Local, NordLB	Construction Loan Equity Bridge Loan Letter of Credit	TBA TBA TBA	17-yr	Farm and facilities being upsized. Launch expected in Feb.
	Grand Ridge (99 MW Wind) McAdoo (150MW Wind)	Ottawa, Ill. Dickens County, Texas	UniCredit UniCredit	TBA TBA	TBA TBA	TBA TBA	Syndication expected. Syndication expected.
J-Power USA	Orange Grove (95 MN Gas)	Orange Grove, Calif.	Royal Bank of Scotland	Construction Loan LC Facility Equity Bridge Loan	\$70M \$25M \$30M	25-yr	Syndication ongoing.
LVE Energy Partners	LVE Energy Center (16 MW Thermal backup power)	Las Vegas, Nev.	Sumitomo Mitsui Banking Corp.	Term Loan Letter of Credit Letter of Credit	\$145M \$20M \$100M		Syndication expected next month. this month or in Feb.
Nacogdoches Power	Nacogdoches (100 MW Biomass, 300 MW Gas)	Sacul, Texas	TBA	TBA	TBA	TBA	Looking for debt/equity for \$600M project.
NGS Energy Fund	Tres Palacios (36.4 bcf Gas Storage)	Matagorda County, Texas	ING Capital	Construction Loan Term Loan Revolver	\$285M \$100M \$50M		Wholesale syndication launched 1/24.
Noble Environmental Power	Turbine Supply Loan New York 2008 Portfolio	Various Upstate New York	HSB, KeyBanc TBA	Turbine Supply Loan TBA	\$460M TBA	3-yr	Syndication launched mid-Nov. Selecting lenders.
NuCoastal	Lon C. Hill (530 MW Gas)	Corpus Christi, Texas	TBA	TBA	TBA	TBA	Seeking lenders.
Padoma Wind Power	Various (418 MW Wind)	Texas, Southern Calif.	TBA	TBA	TBA	TBA	Timeline unclear.
Perennial Power	Hermiston (474 MW Gas) and Bliss (339 MW Wind)	Hermiston, Ore. Clinton and Bliss, N.Y.	TBA	TBA	\$130M	10-yr	Status unclear.
Shear Wind	Various (300 MW Wind)	Alberta and Nova Scotia	TBA	TBA	TBA	TBA	Selecting lenders.
Starwood Energy Group Global	Midway (120 MW Gas)	Fresno County, Calif.	TBA	TBA	\$100M	TBA	Selecting lenders.
SUEZ Energy International	Central Termoeléctrica	Northern Chile	TBA	TBA	TBA	TBA	Looking for banks for \$500M.
Third Planet Windpower	Various (Wind)	Nebraska; Wyoming; Loraine, Texas	TBA	TBA	TBA	TBA	Will look for lenders in 2Q-3Q of this year.
Transfield Services	Central Kelar (+340 MW Coal)	Antofagasta Region, Chile	WestLB, Calyon, HSBC	TBA	TBA	TBA	Syndication expected in April.
Unigas	Okfuskee Gas Storage (30 Bcf)	Okfuskee County, Oklahoma	TBA	TBA	\$150M	TBA	Barclays advising.

Suez, Mitsui Tipped To Win Qatari IWPP

Suez Energy International and Mitsui, who are jointly bidding to develop the Ras Laffan C independent power and water project in Qatar, are expected to win the project tender. The process was launched last year by joint venture sponsors **Qatar Water & Electricity Co.** and **Qatar Petroleum**. Agreements are expected to be signed later this month.

The project is a 2.6 GW, 55 million gallons of water per day IWPP in Ras Laffan Industrial City, and is estimated to cost \$4 billion with debt financing expected to be around \$3 billion. The

Qatari sponsors will have a 60% stake and the winning bidders, selected on the basis of the most competitive EPC proposal and equity return, taking the balance in equal 20% chunks. The financing process is unique in that Qatar Petroleum, not the winning developer, will pick the lending group. RFPs for financing have not yet been sent (PFR, 7/13).

June is the target date for the debt to close to keep construction on schedule, with the preliminary notice to proceed already under way. The project is set to be online by May 1, 2010. **Royal Bank of Scotland** is advising QP and **HSBC** is advising QWEC, also known as **Kahramaa**. Officials at the sponsors and their advisors either declined to comment or did not return calls.

News In Brief

News In Brief is a summary of publicly reported power news stories. The information has been obtained from sources believed to be reliable, but PFR does not guarantee its completeness or accuracy.

Americas

- **Great Plains Energy's** planned \$1.7 billion purchase of **Aquila** is in upheaval after it became known that utility officials had discussed it privately with regulators before formally proposing it (*Energy Central News*, 1/28).
- **FirstEnergy** has agreed to buy **Freemont Energy Center**, a partially complete 707 MW gas-fired combined-cycle plant in Fremont, Ohio plant, from **Calpine** for \$253.6 million (*Associated Press*, 1/29).
- **Dominion** has acquired a 50% interest in the **Fowler Ridge Wind Farm** from **BP Alternative Energy**. The farm is in Benton County, Indiana, about 90 miles northwest of Indianapolis (*CNNMoney.com*, 1/25).
- **NorthWestern Energy** plans to build a \$100 million plant at **Mill Creek** set to go online by 2010 (*McClatchy-Tribune Regional News*, 1/28).
- **Southern Company** is shuffling its senior management team with **Paul Bowers** becoming executive v.p. and cfo, while current CFO **Thomas Fanning** will become coo (*Associated Press*, 1/28).
- **Warren Buffett's MidAmerican Nuclear Energy Company** has ended its pursuit of a nuclear plant in **Payette County, Idaho**, citing economic considerations (*SunValleyonline.com*, 1/29).
- In the State of the Union address, **George Bush** called for further development of technologies enabling coal producers to capture carbon dioxide emissions and argued for greater use of nuclear power. He also pledged \$2 billion over three years to a new international clean energy technology fund (*Houston Chronicle*, *Reuters*, 1/29).
- **Minnesota Power** has signed a surplus energy PPA to begin this year and a 15-year PPA with **Manitoba Hydro** for 250 MW

beginning in 2020 (*Business Wire*, 1/30).

- State regulators have agreed to shorten **FPL Energy's** waiting time before it may submit plans to build a \$350 million, 200 MW wind farm in **Barnes County, N.D.** (*Associated Press*, 1/31).
- Construction of a \$1.8 billion pipeline aiming to quadruple the flow of natural gas from **Bolivia** to **Argentina** will begin in July after several years of delay (*Reuters*, 1/25).

Europe

- **EDF Group** and Spain's largest construction group **ACS** have held preliminary talks about a possible joint bid for **Iberdrola** (*Financial Times*, 1/29).
- **Iberdrola**, meanwhile, has sold a 4% stake in its Portuguese subsidiary **Galp Energia** with 3.83% privately placed by **Merrill Lynch** with institutional buyers and the remainder sold in the open market. Net proceeds were EUR370 million (\$548 million) (*Reuters*, 1/31).
- **Energias de Portugal** is preparing for a potential initial public offering of its renewable energy unit, combining its **Horizon Wind Energy** unit with **NEO Energia**, its European renewables division (*Forbes*, 1/28).
- **Coca Cola Hellenic Bottling**, the world's second-largest bottler of Coke drinks, will build 15 energy plants by 2009 with development company **ContourGlobal** in the E.U., **Nigeria**, **Russia**, **Serbia** and **Ukraine** as part of its plans to cut carbon dioxide emissions (*Reuters*, 1/28).
- **Suez Energy International**, a unit of French utility **Suez**, has reached an agreement to supply electricity to **Antofagasta Minerals's** \$1.5 billion **Esperanza** copper project in **Chile** (*Reuters*, 1/28).

REFI PREPPED

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The timing and size of the recap could not be determined. Principals at the creditors, banks and Philip Morris either declined to comment or did not return calls. —K.B.

MERRILL, LEHMAN

(continued from page 1)

no process or timetable in place to mandate a sale or refinancing, though, "If the capital markets calm down, it would be something we would consider." A recap would allow the owners to take money off the table while they weigh a sale of whole or partial interests (PFR, 7/20).

The gas-fired plant was put up for sale in 2006 but the auction was nixed when the owners began to take a more bullish view on forward capacity payments and spark spreads (PFR, 1/12, 7/20).

The group that controls Granite Ridge is led by CarVal Investments—which is thought to be interested in selling its 50% stake—and includes King Street Capital, KSHC Energy V, TPG Credit Opportunities Fund, Durham Acquisition Co., Camulos Granite Ridge Partners and Gracie Capital, according to a Federal Energy Regulatory Commission filing. Principals at these firms and the leads either declined to comment or did not return calls. —K.B.

GOLDMAN/D.E. SHAW

(continued from page 1)

Financing proposals are trickling into the sponsor and mandates are expected to be awarded to between two and four banks with a view to meeting financial close by year-end. In the mix are Barclays Capital, Credit Suisse, Goldman, Lehman Brothers, Merrill Lynch, Morgan Stanley and Royal Bank of Scotland, among others. It is unclear whether the financing will take the form of a bond or bank transaction or what its size will be because the cost of the project is not yet known. Goldman reportedly does not necessarily have a leg-up because of its equity stake.

Green Rock, which formed last year (PFR, 5/4), is separately developing a gasification project in Beaumont, Texas, with Eastman Chemical Co., also using petcoke and high sulfur coal to produce methanol. It also has a 770 MW integrated gasification combined-cycle power plant called Cash Creek under development in Henderson County, Ky., with IPP Erora and GE Energy Financial Services. Discussions are already under way on Faustina because the commodity prices for ammonia have shot up lately, but the order in which the projects will be financed is not fixed since they have different owners. All three will be predominantly contracted via a combination of offtake

agreements and financial hedges.

Two earlier-stage projects in Green Rock's pipeline are the \$2 billion Advanced Energy Center in Power County, Idaho, being developed in tandem with Refined Energy Holdings and another known as Lackawanna in upstate New York with Process Energy Services. Officials at DE Shaw and Goldman either declined to comment or did not return calls. —Katy Burne

Conference Calendar

- **Platts** will host its 4th Annual Nuclear Energy conference starting Tuesday at the Marriott Bethesda North in Bethesda, Md. To register, visit www.events.platts.com or call 866 355 2930.
- **IBF Conferences** and **Clean Edge** will host the 4th Annual Clean-Technology Investor Summit starting Wednesday at the Renaissance Esmeralda Hotel at Indian Wells in Palm Springs, Calif. To register, visit www.cleantechsummit.com or call 516 765 9005.
- **Infocast** will host the Wind Power Finance & Investment Summit from Wednesday at the Rancho Bernardo Inn in San Diego, Calif. To register, email mail@infocastinc.com or call 818 888 4444.
- **PennWell** will host POWERGEN Energy & Fuels 2008 Feb 19-21 at the Rio All-Suite Hotel & Casino in Las Vegas, Nev. To register, email registration@pennwell.com, call 888 299 8016 or 918 831 9160.
- **Infocast** will host the Midstream Gas Assets Acquisition & Divestiture Summit Feb 25-27 at the St. Regis Hotel in Houston. To register, visit www.infocastinc.com/midstream or call 818 888 4444.

Quote Of The Week

"We hit the market Jan. 4, and despite the fact that the market was getting sloppy, energy [issuers] hung in there pretty strong." —**Greg Kerley**, cfo of **Southwestern Energy** in Houston, on investor appetite for the company's \$600 million private placement, upsized from a planned \$400 million (see story, page 7).

One Year Ago In Power Finance & Risk

Calpine was seeking a \$5 billion debtor-in-possession facility to replace a \$2 billion facility that was nearly exhausted. Credit Suisse, Goldman Sachs, JPMorgan and Deutsche Bank were selected as joint lead arrangers for the package, set to consist of a \$4 billion first-lien term loan and \$1 billion revolver. [Goldman, Credit Suisse, Deutsche and Morgan Stanley led a \$7.6 billion exit financing for the IPP, consisting of the \$5 billion DIP, \$2.3 billion of fresh debt and a \$300 million bridge (PFR, 12/20). Calpine emerged from bankruptcy on Thursday.]